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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

20 **Daimler AG**, a German corporation,
21 Plaintiff,
22 v.
23 **A-Z Wheels LLC, et al.**,
24 Defendants.

Case No. 3:16-cv-00875-JLS-MDD

**PLAINTIFF DAIMLER AG'S
MEMORANDUM OF POINTS
AND AUTHORITIES IN
SUPPORT OF ITS MOTION FOR
PARTIAL SUMMARY
JUDGMENT**

Date: January 9, 2020
Time: 1:30pm
Judge: Hon. Janis L. Sammartino
Crtrm: 4D

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2 **I. INTRODUCTION**

3 Pursuant to Rule 56(b) of the Federal Rules of Civil Procedure and Local
4 Rule 7.1.f.1, as well as the Court's Amended Scheduling Order entered August 26,
5 2019 (ECF No. 118), Plaintiff Daimler AG ("Daimler") brings this Memorandum of
6 Points and Authorities in Support of its Motion for Partial Summary Judgment for
7 statutory damages for trademark counterfeiting with respect to federally registered
8 trademarks U.S. Reg. No. 657,386, U.S. Reg. No. 3,614,891, and U.S. Reg. No.
9 4,423,458, (collectively "the DAIMLER Marks") (portion of Count I of First
10 Amended Complaint ("FAC")), injunctive relief, and attorney's fees, against
11 Defendants A-Z WHEELS LLC d/b/a USARIM, USARIM.COM, and EUROTECH
12 WHEELS, GALAXY WHEELS & TIRES, LLC, and INFOBAHN
13 INTERNATIONAL, INC. d/b/a INFOBAHN, EUROTECH, EUROTECH
14 LUXURY WHEELS, EUROTECH WHEELS and USARIM (collectively "the
15 Entity Defendants"), and Rasool Moalemi (collectively the Entity Defendants and
16 Rasool Moalemi are referred to herein as "Defendants").

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22 There is no genuine issue of material fact as to whether Defendants were
23 engaged in offering for sale and selling automotive wheels in connection with
24 counterfeit marks, given the Court's Order granting Daimler's motion for partial
25 summary judgment as to trademark counterfeiting (ECF No. 91). Accordingly,
26 Daimler requests that the Court enter a finding that the Defendants' conduct was
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1 willful, and award statutory damages of \$6,000,000 (\$2,000,000 for each of the
 2 three counterfeit marks), along with attorneys' fees and costs.

3 4 **II. LEGAL STANDARDS**

5 Pursuant to Rule 56(c) of the Federal Rules of Civil Procedure, a court shall
 6 grant summary judgment if the moving party demonstrates the absence of any
 7 genuine issue of material fact, and the moving party is entitled to judgment as a
 8 matter of law. Fed. R. Civ. P. 56(c); *see, e.g., Celotex Corp. v. Catrett*, 477 U.S.
 9 317, 322 (1986). For the purposes of summary judgment, "material" means that the
 10 fact could affect the outcome of the case under governing substantive law.
 11 *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). For a dispute to be
 12 "genuine," a verdict for the nonmoving party must be able to be returned by a
 13 reasonable jury. *Id.*

14 15 16 17 **A. Statutory Damages for Trademark Counterfeiting**

18 Pursuant to section 35 of the Lanham Act, a plaintiff in a case involving the
 19 use of a counterfeit mark may elect to receive "not less than \$1,000 or more than
 20 \$200,000 per counterfeit mark per type of goods or services sold, offered for sale, or
 21 distributed, as the court considers just." 15 U.S.C. § 1117(c)(1). When the
 22 counterfeiting is found to be willful, Section 35 of the Lanham Act provides for
 23 statutory damages of up to "\$2,000,000 per counterfeit mark per type of goods or
 24 services sold, offered for sale, or distributed, as the court considers just." 15 U.S.C.
 25 § 1117(c)(2). The "plain language of the statute affords plaintiffs the right to pursue
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1 statutory damages without proving actual damages; however, the statute does not
 2 provide guidelines for courts to use in determining an appropriate award." *Louis*
 3 *Vuitton Malletier & Oakley, Inc. v. Veit*, 211 F. Supp. 2d 567, 583 (E.D. Pa. 2002);
 4 *see also Tiffany (NJ) Inc. v. Luban*, 282 F. Supp. 2d 123, 124–5 (S.D.N.Y. 2003)
 5 (noting that the statute does not provide guidelines for courts to use in determining
 6 an appropriate award and that the award is only limited by what the court considers
 7 just). Courts have found guidance in the case law relating to the analogous
 8 provision for statutory damages based on copyright infringement under 17 U.S.C. §
 9 504(c)). *Louis Vuitton Malletier S.A. v. Akanoc Solutions, Inc.*, 658 F.3d 936, 947
 10 (9th Cir. 2011) ("the body of case law developed to interpret the similar statutory
 11 damages provision in copyright law should prove helpful in applying the counterfeit
 12 statutory damages option" (quoting J. Thomas McCarthy, *McCarthy on Trademarks*
 13 *& Unfair Competition* § 30:95 (4th ed. 1996) (footnotes omitted))).

14 Willfulness can be established by evidence of knowing conduct or by
 15 evidence that the defendant acted with "an aura of indifference to plaintiff's rights."
 16 *Philip Morris USA Inc. v. Liu*, 489 F. Supp. 2d 1119, 1123 (C.D. Cal. 2007). A
 17 finding that defendants acted willfully "requires a connection between the
 18 defendants' awareness of [their] competitors and its actions at those competitors'
 19 expense." *Chloe SAS v. Sawabeh Info. Servs. Co.*, No. 2:11-cv-04147, 2015 BL
 20 488074, at *10 (C.D. Cal. June 22, 2015) (quoting *Lindy Pen Co., Inc. v. Bic Pen*
 21 *Corp.*, 982 F.2d 1400, 1406 (9th Cir. 1993)).

1 **B. Injunctive Relief**

2 This Court has the power to grant an injunction to prevent further
3 counterfeiting. *See* 15 U.S.C. § 1116(a). In the Ninth Circuit, “injunctive relief is
4 the remedy of choice for trademark and unfair competition cases, since there is no
5 adequate remedy at law for the injury caused by a defendant’s continuing
6 infringement.” *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1180-81
7 (9th Cir. 1988). Permanent injunctions are appropriate when a party shows: “(1)
8 that it has suffered an irreparable injury; (2) that remedies available at law such as
9 monetary damages, are inadequate to compensate for that injury; (3) that,
10 considering the balance of the hardships between the plaintiff and defendant, a
11 remedy in equity is warranted; and (4) that the public interest would not be
12 disserved by a permanent injunction.” *La Quinta Worldwide LLC v. Q.R.T.M., S.A.*
13 *de C.V.*, 762 F.3d 867, 879 (9th Cir. 2014).

14 **C. Attorney’s Fees**

15 A party seeking to recover statutory damages under 15 U.S.C. § 1117(c) is
16 entitled to attorney’s fees under 15 U.S.C. § 1117(a) if the matter is an exceptional
17 case. The willful and deliberate nature of defendant’s infringement are considered
18 in determinations of exceptionality. *See, e.g., Earthquake Sound Corp. v. Bumper*
19 *Indus.*, 352 F.3d 1210, 1217–18 (9th Cir. 2003) (“not a particularly close case on
20 question of infringement” where plaintiff’s mark was strong, defendant knew of
21 mark prior to infringement, the parties sell the same products, defendant used

1 similar product identification codes that created further similarities between the
2 products, and defendant informed third parties the products were the same but
3 defendant's were cheaper); *Louis Vuitton Malletier S.A. v. LY USA, Inc.*, 676 F.3d
4 83, 104-12 (2nd Cir. 2012); *see also Starbuzz Tobacco, Inc. v. Addison Specialty*
5 *Servs., Inc.*, No. 3:13-cv-01539, 2015 BL 487202 (S.D. Cal. July 29, 2015).
6 Further, the volume of infringer's sales, including only limited sales does not
7 mandate a finding of non-willfulness. *Earthquake Sound*, 352 F.3d at 1218. A case
8 is exceptional if it stands out from others with respect to a party's litigation position
9 or the unreasonable manner in which the case was litigated. *See, e.g., SunEarth,*
10 *Inc. v. Sun Earth Solar Power Co.*, 839 F.3d 1179, 1180 (9th Cir. 2016) (quoting
11 *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545 (2014)).
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13 **III. ARGUMENT**

14 **A. Daimler is Entitled to Statutory Damages for Defendants' Willful** 15 **Use of Counterfeit Marks**

16 Defendants' liability for trademark counterfeiting with respect to the
17 DAIMLER Marks has already been adjudicated by the Court. (SMF ¶¶ 6-10.)
18 Specifically, the undisputed facts established that Defendants used marks that were
19 identical to or substantially indistinguishable from the DAIMLER Marks in
20 connection with sales and/or offers for sale of automotive wheels not manufactured
21 or licensed by Daimler. Therefore, Daimler is entitled to recover an award of
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1 statutory damages under 15 U.S.C. § 1117(c) for trademark counterfeiting in
2 connection with these activities by Defendants.

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4 In addition, Defendants have continued to offer for sale and to sell products
5 using such counterfeit marks, at least through the website www.usarim.com
6 (“USARim website”) under their control. (SMF ¶¶ 11-14.) For example, the main
7 page of the USARim website has continued to display the text “MERCEDES
8 WHEELS” above an image with a counterfeit of Daimler’s Three-Point Star marks,
9 which provides a link to an index page of product listings under the category
10 “Mercedes Wheels.” (SMF ¶ 12.) In each calendar quarter since the Court’s August
11 13, 2018 Order to present date, the USARim website has included product listings
12 for wheels that use counterfeits of at least one of the DAIMLER Marks. (SMF ¶
13 12.) There is no genuine issue of material fact as to whether Defendants’ continued
14 infringement is willful since the Court granted summary judgment against
15 Defendants on both infringement and counterfeiting for the same marks, and based
16 on the same conduct.

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18 In *Chloe SAS v. Sawabeh Info. Servs. Co.*, No. 2:11-cv-04147, 2015 BL
19 488074 (C.D. Cal. June 22, 2015), the court granted plaintiffs’ motion for partial
20 summary judgment on the issue of willfulness based on the defendants’ operation of
21 an online retail platform through which counterfeit goods were sold. This was based
22 on the court findings that “[t]he undisputed facts establish that the Tradekey
23 Defendants willfully infringed . . . Plaintiffs marks. They actively assisted entities,

1 such as the Defaulting Defendants, in selling counterfeit goods purportedly bearing
2 Plaintiffs' protected marks,” and that “[e]ven after this lawsuit began, the Tradekey
3 Defendants continued to permit the sale of counterfeit goods on the Tradekey
4 website in direct disregard of this Court's order to stop such activities. In these
5 circumstances, the Tradekey Defendants cannot credibly deny that they knew about
6 the counterfeiting and failed to take any action to remedy it.” *Id.*, at *12. Therefore,
7 the Court concluded that the defendants had “willfully infringed . . . Plaintiffs’
8 marks—i.e., that defendants *intentionally infringed* plaintiffs' trademarks by actively
9 facilitating known counterfeiting and failing to cease such activities even after the
10 court issued an injunction.” *Id.* (internal quotation marks omitted).

11
12 In the instant case, given Defendants’ knowledge and subsequent disregard
13 for the Court’s findings and for Daimler’s rights, Defendants cannot deny
14 willfulness in continuing their own active infringement. Statutory damages should
15 be awarded for willful use of counterfeit marks under 15 U.S.C. § 1117(c)(2).

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17 **B. Defendants’ Conduct Warrants a Substantial Statutory Award**

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19 The Court has wide discretion in determining the amount of statutory
20 damages to be awarded. *Columbia Pictures Television, Inc. v. Krypton Broad. of*
21 *Birmingham*, 259 F.3d 1186, 1194 (9th Cir. 2001). As the statute does not give any
22 specific guidance for determining an appropriate statutory damage award, courts
23 may look to the factors that are considered for the award of statutory damages under
24 an analogous provision of the Copyright Act, including: the revenues lost by the
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1 plaintiff; the value of the mark; the deterrent effect on others besides the defendant;
2 whether the defendant's conduct was innocent or willful; whether a defendant has
3 cooperated in providing particular records from which to assess the value of the
4 infringing material produced; the difficulty or impossibility of proving actual
5 damages; and the potential for discouraging the defendant. *Gucci Am., Inc. v.*
6 *Huoqing*, 2011 BL 412036, 18 (N.D. Cal. Jan. 03, 2011) (quoting *Cartier v.*
7 *Symbolix Inc.*, 544 F. Supp. 2d 316, 318 (S.D.N.Y. 2008)). Significantly, “the
8 Supreme Court has held that deterrence of future infringement is an important factor
9 in determining damages under the Copyright Act, and therefore an award of
10 statutory damages need not equal the amount of a plaintiff's actual damages.” *Philip*
11 *Morris USA Inc. v. Castworld Products, Inc.*, 219 F.R.D. 494, 501 (C.D. Cal. 2003)
12 (citing *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233 (1952);
13 *Peer Int'l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1336-37 (9th Cir. 1990)). In
14 particular, the *Woolworth* Court stated “[t]he statutory rule, formulated after long
15 experience, not merely compels restitution for profit and reparation for injury but
16 also is designed to discourage wrongful conduct. The discretion of the court is wide
17 enough to permit a resort to statutory damages for such purposes. Even for
18 uninjurious and unprofitable invasions of copyright the court may, if it deems just,
19 impose a liability within statutory limits to sanction and vindicate statutory policy.”
20 *F.W. Woolworth Co.*, 344 U.S. at 233.
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Courts have considered the efficacy of damages as a deterrent not only for defendants but also non-parties, as well as the context of the counterfeiting. *Chi-Boy Music v. Charlie Club*, 930 F.2d 1224, 1229 (7th Cir. 1991). *See also Lorillard Tobacco Co. v. S&M Cent. Serv. Corp.*, No. 03-cv-4986, 2004 U.S. Dist. LEXIS 22563, at *18 (N.D. Ill. Nov. 5, 2004) (“[G]iven the broader economic losses and harm to the job market caused by counterfeiting, coupled with the possible dangers to consumers who are tricked into purchasing low quality, counterfeit products over the Internet, it is important to both penalize defendants and try to deter future violations.”).

The Ninth Circuit has recognized that "the purposes of the Lanham Act can be accomplished by making acts of deliberate trademark infringement unprofitable." *Maier Brewing Co. v. Fleischmann Distilling Corp.*, 390 F.2d 117, 123 (9th Cir. 1968). Specifically, willful internet-based counterfeiting has resulted in significant damages awards due to high market exposure. *See, e.g., BMW of N. Am., LLC v. Cuidin*, No. 5:17-cv-02471, 2018 BL 458414, at *8 (C.D. Cal. Dec. 10, 2018) (awarding \$175,000 in statutory damages after default judgment, finding “sales attributed to Defendants’ Paypal and eBay accounts undervalues the likely extent of Defendant’s *counterfeit* sales” (emphasis added)); *Monster Energy Company v. Meng Chun Jing, et al.*, No. 1:15-cv-00277, 2015 BL 214782, at *5 (N.D. Ill. July 6, 2015) (holding that AliExpress “is a busy website that provides the potential to reach a vast customer base.”); *Luxottica USA LLC v. The P’ships & Unincorporated*

1 *Ass'ns*, No. 1:14-cv-09061, 2015 BL 194355 (N.D. Ill. June 18, 2015) (\$150,000
2 awarded for three infringed marks based on defendant's online sale of counterfeit
3 goods); *Rolex Watch U.S.A., Inc. v. Jones*, No. 1:99-cv-02359, 2002 BL 1348, at *6
4 (S.D.N.Y. Apr. 17, 2002); (holding that an award of \$25,000 for each category of
5 trademarked goods would be inadequate in view of the virtually limitless number of
6 available customers on the Internet; *Louis Vuitton Malletier, S.A. v. Mosseri*, No.
7 2:07-cv-02620, 2009 BL 234287, at *3–4 (D.N.J. Oct. 28, 2009) (awarding over \$4
8 million in total statutory damages, finding that defendant's operation of its
9 counterfeit goods enterprise on the Internet exponentially increased the damages);
10 *Burberry Ltd. v. Designers Imports, Inc.*, No. 1:07-Cv-03997, 2010 BL 10512, at
11 *10–11 (S.D.N.Y. Jan. 19, 2010) (awarding \$100,000 per mark per type of goods,
12 finding that a large award was necessary because of “defendant's ability to reach a
13 vast customer base through internet advertising”).
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19 In the instant case, Daimler expends substantial resources to advertise and
20 promote its brand, and to provide high quality goods and services. (SMF ¶¶ 2-3)
21 Indeed the Ninth Circuit has referred to the fame of Daimler's Three Point Star
22 design. *See AuTomotive Gold*, 457 F.3d 1062, 1067 (9th Cir. 2006) (“Famous
23 trademarks have an exalted status of their own in today's consumer culture . . .
24 Consumers sometimes buy products bearing marks such as . . . the Mercedes tri
25 point star . . . for the appeal of the mark.”) The facts show that MERCEDES-BENZ
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28 is not used by the public as a generic term, but rather to refer to a particular brand of

1 cars and parts for those cars. (SMF ¶¶ 2-5.) The Defendants admitted the Daimler
2 Mercedes-Benz brand of vehicles has been and continues to be recognized
3 worldwide. (SMF ¶ 2). Because of the extensive use of the DAIMLER Marks in
4 connection with genuine products sold in the United States, including automotive
5 wheels (SMF ¶¶ 2-5), the DAIMLER Marks function as universal identifiers
6 associated with Daimler's reputation and standards for quality.
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9 Defendants' willful use of counterfeit marks in the instant case, seemingly
10 unabated by the Court's August 13, 2018 Order holding them liable for infringement
11 and counterfeiting of the DAIMLER Marks, is precisely the type of wrongful
12 conduct that warrants a high statutory award. Accordingly, Daimler respectfully
13 requests the Court's entry of an award of \$2,000,000 against the Defendants for
14 willful counterfeiting of each of the DAIMLER Marks.
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17 **C. Daimler is Entitled to Injunctive Relief**

18 This Court should grant a permanent injunction to prevent the Defendants
19 from further counterfeiting of the DAIMLER Marks because Daimler has suffered
20 an irreparable injury; the remedies available at law such as monetary damages, are
21 inadequate to compensate for that injury; the balance of hardships weighs in
22 Daimler favor; and the public interest would be served by a permanent injunction.
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24 See e.g., *La Quinta Worldwide LLC v. Q.R.T.M., S.A. de C.V.*, 762 F.3d 867, 879
25 (9th Cir. 2014).
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1 Daimler asks this Court to issue a permanent injunction against the
2 Defendants providing at least: 1) a prohibition against the Defendants importing,
3 purchasing, distributing, selling, offering for sale, or otherwise using in commerce
4 any counterfeit wheels bearing the DAIMLER Marks; and 2) a prohibition against
5 the Defendants assisting, aiding or abetting any other person or entity in importing,
6 purchasing, distributing, selling, offering for sale, or otherwise using in commerce
7 any counterfeit wheels bearing the DAIMLER Marks.
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10 Here, Daimler has demonstrated actual success on the merits of its trademark
11 counterfeiting claims as to the DAIMLER Marks. (SMF ¶¶ 6-10.)
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13 Further, “once infringement is shown, irreparable injury is generally
14 presumed in a trademark case.” *T-Mobile USA, Inc. v. Terry*, 862 F. Supp. 2d 1121,
15 1133-34 (W.D. Wash. 2012); *see also Abercrombie & Fitch Co. v. Moose Creek,*
16 *Inc.*, 486 F.3d 629, 633 (9th Cir. 2007) (“Once the plaintiff has demonstrated a
17 likelihood of confusion, it is ordinarily presumed that the plaintiff will suffer
18 irreparable harm if injunctive relief is not granted.”)
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21 Without even considering the legal presumptions to which it is entitled under
22 the law in this Circuit, Daimler will suffer irreparable harm if Defendants are
23 allowed to continue advertising, offering for sale, and selling products bearing
24 and/or using counterfeits of the DAIMLER Marks. Without a permanent injunction,
25 Defendants will continue to advertise, offer for sale, and sell products bearing and/or
26 using counterfeits of the DAIMLER Marks. For example, despite the Court’s
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1 August 13, 2018 Order granting partial summary judgment on Defendants'
2 counterfeiting, Defendants have continued to operate the USARim site and sell
3 counterfeit wheels using the DAIMLER Marks. (SMF ¶¶ 11-22.) Daimler submits
4 that this continued counterfeiting, on top of the counterfeiting that occurred
5 following the filing of Daimler's first complaint in April 2016, are compelling
6 indications that the Defendants will continue to sell goods using counterfeits of the
7 DAIMLER Marks in the marketplace. *See e.g., T-Mobile USA, Inc.*, 862 F. Supp. at
8 1133-34. Such counterfeits would lead to Daimler's lost sales. Moreover, because
9 products for which Defendants used and continue to use counterfeit marks have
10 failed to meet the expectations of at least some consumers (*see* SMF ¶ 32), the
11 DAIMLER Marks inevitably have been or will be diluted. In short, Daimler will
12 suffer irreparable harm absent the imposition of a permanent injunction.

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17 Next, as to inadequate remedies at law, permanent injunction is a particularly
18 appropriate remedy in a trademark action as there are no adequate remedies at law
19 for Defendants' infringement, especially when there is no assurance that the
20 infringing defendants will cease their misconduct. *See, e.g., Champion-Cain v.*
21 *McDonald*, No. 3:14-cv-02540, 2018 BL 248466, at *9 (S.D. Cal. July 12, 2018).
22 As discussed above, it is highly unlikely that Defendants will cease counterfeiting
23 the DAIMLER Marks, as they have continued to operate the USARim website and
24 to use counterfeits of the DAIMLER Marks to offer for sale and sell wheels. (SMF
25 ¶¶ 11-22). As recently as September 17, 2019—after the Court's determination of

1 trademark infringement and counterfeiting by Defendants—Daimler’s investigator
2 was able to purchase, from the USARim website, four wheels that were advertised
3 as “Mercedes Benz Wheels” and bore marks identical to the Three-Point Star
4 Marks, but were not made or authorized by Daimler. (SMF ¶¶ 19-22). As to
5 Defendants’ likely future conduct, it is noteworthy that many of the Defendants are
6 no stranger to this court or allegations of trademark infringement. *See* Complaint,
7 *Jaguar Land Rover Ltd. v. A-Z Wheels LLC et al.*, No. 3:13-cv-00878 (S.D. Cal.
8 Apr. 11, 2013). Additionally, absent the imposition of a permanent injunction,
9 Daimler would be forced to repeatedly file suit any time Defendants infringe
10 Daimler’s trademark rights in the future. *See e.g., T-Mobile*, 862 F. Supp. 2d at
11 1133-34. Thus, there are no adequate remedies at law for Defendants’ continuing
12 counterfeiting.

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17 Next, the balance of hardship weighs strongly in favor of Daimler.
18 Refraining from willful trademark infringement and counterfeiting will not place
19 any hardship on the Defendants as they will merely have to comply with the law.
20 *See, e.g., Champion-Cain v. McDonald*, No. 3:14-cv-02540, 2018 BL 248466, at *9
21 (S.D. Cal. July 12, 2018); *T-Mobile USA*, 862 F. Supp. 2d at 1552 (“the monetary
22 benefits that Defendant receives from his actions are not benefits to be protected”
23 (citing *Ty, Inc. F. GMA Accessories, Inc.*, 959 F. Supp. 936, 945 (N.D. Ill. 1997)
24 (“Loss of profits from infringing products warrant little consideration in the
25 balancing of harms analysis”))).
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1 Finally, the issuance of the permanent injunction requested by Daimler serves
2 the public interest by preventing confusion between the Defendants' counterfeit
3 products and those of Daimler because the public has an interest in avoiding
4 confusion. *See, e.g., Internet Specialties W., Inc. v. Milon-Digiorgio Enters., Inc.*,
5 559 F.3d 985, 993-94 (9th Cir. 2009).
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8 For at least these reasons, this Court should issue Daimler's requested
9 permanent injunction against the Defendants.

10 **D. This Case Is Exceptional, Meriting Attorney's Fees**

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12 Daimler is entitled to attorney's fees in this action as this case is exceptional
13 in light of Defendants' litigation position and the unreasonable manner in which
14 Defendants have litigated the case. *See, e.g., SunEarth, Inc. v. Sun Earth Solar*
15 *Power Co.*, 839 F.3d 1179, 1180 (9th Cir. 2016) (quoting *Octane Fitness, LLC v.*
16 *ICON Health & Fitness, Inc.*, 572 U.S. 545 (2014)). When a litigation itself is not a
17 sufficient deterrent, an award of attorney's fees may be supported by the totality of
18 the circumstances. *Cree, Inc. v. Flyt E-Commerce Servs., Inc.*, No. 2:16-cv-05208,
19 2017 BL 528008, at *9–10 (C.D. Cal. Oct. 31, 2017).
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22 This case fits neatly into the exceptional category of cases, as Defendants
23 have generally showed a lack of cooperation and disrespect for the judicial process,
24 refused to cooperate in discovery, violated the Court's discovery orders (SMF ¶ 33),
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1 and continued brazenly to infringe in the face of this Court's finding of summary
2 judgment of counterfeit trademarking (SMF ¶¶ 11-22).¹
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4 The Defendants advertised and sold thousands of wheels, many of which
5 appear to have been counterfeit versions that featured the DAIMLER Marks in their
6 offers for sale and/or affixed to the wheels prior to shipment. (SMF ¶¶ 11-25).
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8 Daimler's complaint has always alleged that this counterfeiting was willful and
9 deliberate, and, in response, Defendants have only generally denied the claims and
10 stood behind a misguided fair use defense which this Court rejected in its August
11 13, 2018 Order granting partial summary judgment. Further, Daimler has presented
12 evidence that supports its claim that, during the pendency of this case, and
13 especially after Summary Judgment of Counterfeiting was granted, Defendants have
14 continued to advertise and sell counterfeit wheels. (SMF ¶¶ 11-22). Additionally,
15 Defendants unreasonable conduct during litigation in general, and specifically
16 during discovery, has resulted in sanctions awards and numerous unnecessary
17 hearings. (SMF ¶ 33). Thus, the litigation itself has not been a sufficient deterrent,
18 and the totality of the circumstances support an award of attorney's fees.
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23 For at least these reasons, Daimler is entitled to attorney's fees under 15 USC
24 § 1117(a).
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27 ¹ One representative instance of Defendants' cavalier attitude toward the judicial
28 process is reflected in Defendant Rasool Moalemi's deposition testimony. (SMF ¶ 31).

1 **IV. CONCLUSION**

2 For the foregoing reasons, this Court should grant summary judgment for
3 statutory damages of \$6 million for willful trademark counterfeiting with respect to
4 the DAIMLER Marks, grant a permanent injunction against the Defendants, and
5 award Daimler attorney's fees.
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9 Respectfully submitted,

10 Dated: October 31, 2019

11 **THE MARBURY LAW GROUP, PLLC**

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